

EXHIBIT H

Prospectus

This Investment Options Guide has been updated as of August 2008. It replaces and supercedes any and all Investment Options Guides and all Updates to those Guides. The Investment Options Guide constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933. The complete prospectus for the plans listed below includes:

- This Guide (except for the descriptions of the managers of the Core Investment Options and Target Date Funds) and all Updates.
- Most recent Quarterly Investment Performance Statement (QIPS).
- Plan summaries of the BP plans listed below:

TAX-QUALIFIED PLANS	SUMMARY OF THE PLAN CONTAINED IN:*
BP Employee Savings Plan	Employee Benefits Handbook (savings plan section)
BP Partnership Savings Plan	All About Savings and Retirement
BP DirectSave Plan	All About Savings
BP Capital Accumulation Plan	ARCO LifeDesigns Benefits Handbook
NON-QUALIFIED PLANS	SUMMARY OF THE PLAN CONTAINED IN:*
BP Deferred Compensation Plan**	BP Non-Qualified Plans Overview
BP Deferred Compensation Plan II**	BP Deferred Compensation Plan II Overview

- BP p.l.c. Annual Review 2007 (or any subsequent BP Annual Review).
- All documents incorporated by reference into the above documents.
- Future supplements and amendments to these documents.

BP's tax-qualified savings plans are intended to comply with section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This means that to the extent permitted under Section 404(c) neither BP nor any plan fiduciary is liable for any loss in value of your plan account resulting from investment instructions given by you.

In addition to the registered plans listed above, the investment options described in this Guide are also available to participants of the following non-qualified plans:**

- BP Excess Compensation (Savings) Plan.
- BP Excess Benefits (Savings) Plan.
- BP Deferral Restoration Plan.
- TNK-BP Savings Restoration Plan.

* Summaries may be contained in such other documents as may be communicated to you in the future.

** The plans noted are not qualified retirement plans under Section 401(a) of the Internal Revenue Code. These plans are unfunded and benefits are payable from the general operating assets of the company rather than from a trust fund. Participants' unfunded accounts in these plans are invested nationally among the investment options offered to participants in the BP Employee Savings Plan and reflect the same performance as if actual funds had been invested. Individuals eligible to participate in the non-qualified plans should refer to the BP Non-Qualified Plans Overview for more details.

August 2008

Table of contents

Introduction	2
Updates to this Guide	2
Plan administration	2
BP Retirement Services at Fidelity	3
Investment transactions	4
Investment direction	4
Exchanges	4
Some important things to consider	5
Risk and reward	5
Diversification	6
Resources	6
Overview of investment options	7
Target Date Funds	7
Core Investment Options	7
Mutual Fund Window	7
Investment options at a glance	8
Target Date Funds	10
How to choose your Target Date Fund	10
Core Investment Options	16
Core Investment Options matrix by asset class	16
Mutual Fund Window	37
Data source	37
Mutual Fund Window matrix by asset class and style	38
Alphabetical Mutual Fund Window listing	39
Other information	67
Restrictions and limitations	67
Fidelity's Frequent Trading Policy	68
Short-term trading fees	68
Investment fees and expenses	69
Pricing of investment options	70
More about the Target Date Funds and Core Investment Options	71
More about commingled index funds	72
Documents filed with the Securities and Exchange Commission	74
How to review SEC filings	74
Additional information about securities	75
Important legal information	76
Appendix 1	77
About the Target Date Funds and Core Investment Options managers	77
Appendix 2	79
Description of indices	79



Introduction


Participation in your BP savings plan is a great way to provide for your long-term financial security. Your participation is voluntary, and you may enroll at any time.


All contributions and investment gains or losses under the plans listed in this Guide are credited to your plan accounts. You choose how your accounts are invested from a variety of investment options. You — not the company — assume all investment risk. That means your account will benefit from any investment gains and experience any investment losses. Currently, you may invest in approximately 190 different investment options.

This Guide provides you with an overview of these investment options. The material contained in this Guide is for informational purposes only and is not intended to provide specific investment advice or be a substitute for your research and evaluation regarding your investment decisions. **You are encouraged to seek advice from your own investment consultant before making any investment decisions.**

Throughout this Guide, you will find some features to help increase your understanding of certain concepts:

-  — directs you to important information you should note.
-  — points you to other sections in this Guide which provide additional information.

 Throughout this Guide, 'you' refers to an eligible participant, an alternate payee or a beneficiary in one or more of the plans listed on the inside front cover or Update, if applicable.

 Throughout this Guide, 'plans' or 'BP plans' refers to the plans listed on the inside front cover and any other plans subsequently deemed included in this Guide.

Updates to this Guide

This Guide will be updated from time to time in two ways:

- **A Quarterly Investment Performance Statement (QIPS)**, which shows performance information for all the investment options, and certain other information.
- **Investment Options Guide Updates (Updates)**, which are mailed quarterly to communicate changes to information contained in this Guide.

Be sure to review and keep all QIPS and Updates so that you have a complete Guide at all times. For your convenience, a pocket has been placed in the back of this Guide where you may store QIPS and Updates.

Periodically, you should also request and review the most current prospectus for any mutual funds in which you are invested.

You may also receive additional information regarding investment options and the BP plans from time to time.

Plan administration

State Street Bank and Trust Company is the trustee of the plans. State Street Global Advisors (SSgA), Barclays Global Investors (BGI), Northern Trust Investments, Inc. (NTI) and Dwight Asset Management Company LLC (Dwight) are the investment managers of the Core Investment Options. BGI is also the investment manager of the Target Date Funds. Fidelity Investments is the provider of recordkeeping services for all plan accounts. The plan sponsor is BP Corporation North America Inc ('BP'). The plan administrator is the Vice President, Total Rewards, Western Hemisphere, BP Corporation North America Inc.

BP Retirement Services at Fidelity

Fidelity Investments, also referenced in other BP communications as BP Retirement Services at Fidelity, has been retained to provide recordkeeping services for each of the plans listed in this Guide. You have the following two ways to contact BP Retirement Services at Fidelity:

Online

Access <http://www.lifebenefits.bp.com>
and select **BP Retirement Services at
Fidelity** from 'Quick Links'

or

Log onto NetBenefits at
<http://netbenefits.fidelity.com>

By phone

**Call BP Retirement Services at
Fidelity** directly on any business day
(excluding New York Stock Exchange holidays)
between 8:30 a.m. and midnight
Eastern time to speak to a
representative at:


1-877-272-3334 (toll-free within the U.S.);
outside the U.S., dial the AT&T access
number of the country you are in.
When prompted, dial 1-877-272-3334.
Or, call collect at (508) 787-9902;

or


For TDD service for the hearing impaired,
call 1-800-610-4015.

Account Statements


Each BP plan listed on the inside cover of this Guide provides you daily access to view your account information securely online via the **Fidelity NetBenefits®** site or to receive printed quarterly statements. By electing to view your statement online, you effectively elect to stop receiving printed quarterly statements. You will also have access to your account balances and your personal rate of return for any month or calendar quarter within the last 24 months. You may change your election to receive printed quarterly statements in lieu of full online statement information on the NetBenefits site at any time by selecting 'print' or by contacting BP Retirement Services at Fidelity. No matter how you decide to review your account — quarterly hardcopy statements or online — you will receive a printed statement annually following the fourth quarter of each year.


 'BP Retirement Services at Fidelity,' **this page**

Performance results for the investment options are updated monthly on NetBenefits.

 If you have not yet enrolled in a plan but are considering it for the future, you should request an updated Guide containing all the current Updates as well as the latest OIPS before you enroll in the plan so you have all the latest information available.

Investment transactions

 **Note:** See 'Other information' for important information about trading restrictions and limitations, Fidelity's Frequent Trading Policy, short-term trading fees, and other fees and expenses.

 'Other information,' page 67

Fund codes

To submit your investment direction by phone, you must obtain the fund code of any investment option you select. These codes are the same for all plans, except the non-qualified savings plans, and are available in the QIPS, online at NetBenefits or through the voice response system.

The fund codes used for the non-qualified savings plans are available online in the Plan Information section of the Planning tab on NetBenefits.


Investment direction

You need to select the allocation that will apply to all plan contributions. This allocation is referred to as your 'investment direction.' You may change your investment direction at any time.


You may set your investment direction via BP Retirement Services at Fidelity.

If you do not set an investment direction at the time you enroll in a qualified BP savings plan, your contributions and the company match will automatically be directed to the plan's qualified default investment alternative ('QDIA'). The plan's QDIA is the Target Date Fund based on your age and expected retirement date (assumed to be age 65) rounded to the nearest five-year Target Date Fund as shown in the table on page 11. In the same way, if you do not set an election at the time you elect to defer compensation under the BP Deferred Compensation Plan II or at the time you become eligible for a BP non-qualified savings plan, amounts will be notionally invested in the applicable Target Date Fund.

Once set, your investment direction will continue until you change it. You can change your investment direction at any time by calling BP Retirement Services at Fidelity or logging onto NetBenefits.


 'BP Retirement Services at Fidelity,' page 3

If you participate in more than one of the BP plans that allows for participant investment direction, you will need to set the investment direction for each plan separately.

 **Remember,** you are responsible for researching, evaluating, selecting and monitoring your investment choices to ensure that these choices continue to meet your investment objectives. Past performance of the investment options is updated quarterly via the QIPS, which is available from BP Retirement Services at Fidelity.

Exchanges

An exchange is your request to transfer all or a portion of your existing balance in one or more investment options into another investment option or options. Subject to any restrictions placed on an individual fund by a fund manager in response to short-term trading concerns, exchanges may be requested on a daily basis. Transaction requests may be changed or canceled within the same business day but only prior to 'market close.' Transaction requests submitted after the market close or on weekends or holidays will be processed using the next available closing unit price. Loan, withdrawal and distribution requests are treated in the same manner as exchanges.

 'Fidelity's Frequent Trading Policy,' page 68

'Market close' — The close of the New York Stock Exchange which is normally 4:00 p.m. Eastern time each business day.

Some important things to consider

As you review the investment option information in this Guide, you should consider the following:

- Your financial goals, risk tolerance and time horizon.
- Whether to invest in a Target Date Fund or create your own investment portfolio.
- How much you need to contribute to the plan in order to achieve your investment goals.
- Information about the specific investment options that interest you, including:
 - Their investment objectives and their respective benchmarks (if applicable).
 - The types of investments and their associated risks.
 - The degree of investment discretion given to the investment managers.
 - Investment management tenure.
 - Fees and expenses.
 - Other information important to you.

You should then decide which options best suit your investment plan for your investment portfolio and set your investment direction.

Talk to your financial advisor and take advantage of the financial planning tools available through the Fidelity NetBenefits website.

Remember, it is important to review your investments periodically, and to rebalance your allocation or adjust your investment strategy as needed. Target Date Funds are rebalanced by the manager on a monthly basis.

Risk and reward

Understanding the relationship between risk and reward is essential in identifying the right mix of investments for your plan portfolio. Generally, the greater risk you take on, the greater the potential reward. Similarly, the less risk you take on, generally the lower the potential reward. *Potential* is a key word in these statements. *No investment is guaranteed.*

You should ask yourself how much risk you are willing to accept. The answer is important, because it is an important part of building your investment portfolio. If you construct an investment portfolio that carries more risk than you are comfortable with, you may be unprepared to experience unexpectedly large losses at some point. On the other hand, if you build an investment portfolio that is too conservative, you may not reach your financial goals.

Your time horizon (how much time you have before you will need your money) is an important element to managing risk. If you have a long time to go before retirement (or before you will actually need to access the money in your account), you may be willing to ride out the ups and downs of the markets. Conversely, if you have a short time to go before you retire (or before you will actually need to access the money in your account), you may be more inclined to invest in less volatile asset classes that are less likely to decline in value over the short-run.

The manager of the Target Date Funds takes into account the assumed retirement date (age 65) when setting the asset allocation for each fund.

☛ *Target Date Funds, page 10*

There is no guarantee against the possibility of a loss in any of the investment options.

Diversification

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. In general, spreading your assets among different types of asset classes (e.g., stocks, bonds, short-term investments) can lower your portfolio's overall risk. This is because market or other economic conditions that cause one asset class or one particular security to perform well may cause another asset class or another particular security to perform poorly. If you invest more than 20% of your retirement savings in any one security or single investment option (other than a Target Date Fund), including the BP Stock Fund, your savings may not be adequately diversified. Although diversification is not a guarantee against loss, it can be an effective strategy to help you manage investment risk.

In deciding how best to diversify your portfolio, you may want to take into account all of your assets, including other investments you have outside of the plans. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals and different tolerances for risk.

It is also important to periodically review your investment portfolio, your investment objectives, the investment options under the plans and your contribution rate to help ensure that your retirement savings will meet your retirement goals. You may need to rebalance your allocation or adjust your investment strategy as needed.

Another way to diversify is to invest in one of the pre-mixed Target Date Funds. Each Target Date Fund offers a diversified mix of investments.

☛ *'Target Date Funds,' page 10*

You should be aware that there is a risk to holding substantial portions of your assets in securities of any one company (e.g., the BP Stock Fund), as individual securities tend to have wider price swings, up and down, in short periods of time, than investments in funds holding multiple securities.

Resources

You are encouraged to seek out all the information available to help you make your investment decisions. Remember to request a mutual fund prospectus from Fidelity for any mutual fund option that may interest you and review it carefully before investing.

You can also access information on all the investment options via the Fidelity NetBenefits website. Just log on to <http://netbenefits.fidelity.com> and input your Social Security number/Customer ID and password to go to your account. On your account page, click on 'Tools & Learning,' which offers a number of tools to help with your financial planning, including interactive workshops and tutorials, retirement calculators, Morningstar data about mutual funds and asset allocation worksheets. Any requests for additional information about the Target Date Funds or Core Investment Options should be directed to BP Retirement Services at Fidelity. You may also want to contact a financial advisor.

Overview of investment options

The BP savings plans offer you a range of investment options covering a broad risk and reward spectrum, giving you an opportunity to create your own diversified investment portfolio. You can choose a Target Date Fund, which is pre-mixed, or choose to create your own portfolio. If you choose to mix your own portfolio, you can select a combination of individual funds offered by your plan to create a diversified portfolio that matches your specific risk tolerance and investment goals.

Please note that investment options may be added or removed without prior notice at any time.

The chart on pages 8 – 9 is a representation of the broad asset classes and the investment options available to you within those asset classes. It is not intended as a risk gauge of any individual investment option. In general, U.S. bonds are considered less risky than U.S. stocks, which in turn are considered less risky than international securities. However, specifics such as derivative use, country exposure, credit quality and currency exchange rates, among others, may have a significant impact on risk. You should read the Target Date Funds and Core Investment Options descriptions in this Guide and the applicable mutual fund prospectuses before investing.

Target Date Funds

Target Date Funds are pre-mixed portfolios that provide the potential for you to invest in a single fund from the time you start contributing to the plan right through to retirement. These funds hold a mix of underlying investments that become more conservative over time.

Each fund has a date in its name (such as 2020 in Target Date 2020) that reflects a specific target year when you might want to start withdrawing your savings during retirement. Each fund's portfolio managers will select and maintain a mix of investments that takes into account the fund's specific time horizon.

Core Investment Options

The Core Investment Options represent major asset classes — stocks, bonds and short-term investments. Most of the Core Investment Options are passively-managed index funds — meaning they attempt to track the performance of various market indices. For example, the Equity Index Fund attempts to track the performance of the S&P 500 Index. Generally, the fees for index funds are lower than for actively-managed funds. The Short-Term Investments Fund, the Income Fund and the BP Stock Fund are not index funds, and are available only to BP plan participants.

☛ *'More about commingled index funds.'*
page 72

'Passively-managed' means the fund seeks to match the performance of a specific index by investing in securities that make up that index, in the same proportion.

Mutual Fund Window

The mutual funds offered through the plans include a broad array of approximately 180 mutual fund options that represent a variety of asset classes, investment styles and categories managed by more than 30 investment management companies. These mutual funds are 'actively-managed' funds and offer different investment strategies than those offered by the Core Investment Options.

'Actively-managed' means that an investment manager is trying to outperform a benchmark or index. Whatever the performance of the benchmark or index, the manager will try to do better and increase value for investors. Generally, the fees for actively-managed funds are higher than for index funds, and actively-managed funds have a higher risk and reward potential than index funds.

Investment options at a glance

Objective: Capital Preservation
Potentially less risk and return

	Short-Term	Stable Value	U.S. Bonds	Hybrid**	
TARGET DATE FUNDS				Target Date Retirement Fund Target Date Funds	
CORE INVESTMENT OPTIONS	Short-Term Investments Fund	Income Fund	Bond Index Fund Bond Index Fund - Short Duration Bond Index Fund - Long Duration		Equity Index Fund Equity Index Fund - Value Equity Index Fund - Growth Mid-Cap Equity Index Fund
MUTUAL FUND WINDOW	Fidelity Institutional Money Market Fidelity U.S. Treasury Money Market		Short-Term Bond Fidelity Institutional Short-Intermediate Government Harbor Short Duration PIMCO Low Duration Intermediate-Term Bond AIM Income Dodge & Cox Income Fidelity Government Income Fidelity Investment Grade Bond Harbor Bond Janus Flexible Bond Morgan Stanley Institutional Fund Core Plus Fixed Income Portfolio PIMCO Total Return PIMCO Total Return III T. Rowe Price Spectrum Income T. Rowe Price U.S. Treasury Intermediate Bond USAA GNMA Trust USAA Income Wells Fargo Advantage Government Securities Long-Term Bond PIMCO Long-Term U.S. Government High-Yield Bond AIM High Yield Fidelity Capital & Income Fidelity High Income Morgan Stanley Institutional Fund High Yield Portfolio PIMCO High Yield	CALAMOS Convertible* Calvert Social Investment Fund Balanced Portfolio Columbia Balanced Dreyfus Premier Balanced Fidelity Balanced Fidelity Convertible Securities Fidelity Puritan* Janus Balanced Morgan Stanley Institutional Fund Trust Balanced Portfolio Vanguard Asset Allocation Vanguard Wellesley Income Vanguard Wellington	Large-Cap Value American Century Equity Income American Century Income & Growth American Century Value American Funds® American Mutual American Funds® Investment Company of America American Funds® Washington Mutual Investors Credit Suisse Large Cap Value Dreyfus Premier Strategic Value Fidelity Equity-Income Fidelity Equity-Income II T. Rowe Price Equity Income T. Rowe Price Value Vanguard Equity Income Vanguard Windsor Vanguard Windsor II Large-Cap Blend AIM Large Cap Basic Value American Century Equity Growth American Funds® Fundamental Investors Clipper Fund Domini Social Equity Dreyfus Appreciation Dreyfus Disciplined Stock Fidelity Disciplined Equity Fidelity Dividend Growth Fidelity Focused Stock Fidelity Fund Legg Mason Value Trust Neuberger Berman Socially Responsive PIMCO StocksPLUS Putnam Investors T. Rowe Price Dividend Growth Vanguard Growth and Income Large-Cap Growth AIM Large Cap Growth Alger Capital Appreciation Institutional BlackRock Fundamental Growth Credit Suisse Large Cap Growth Dreyfus Founders Equity Growth Dreyfus Premier Third Century

Mutual fund investment options are classified per Morningstar.

Complete names and share classes for the mutual funds can be found beginning on page 42.

* Closed to new investments.

** Hybrid investment options may be composed of multiple asset classes.

Objective: Aggressive Growth
Potentially more risk and return

U.S. Stocks	International	Company Stock	TARGET DATE FUNDS
Small-Cap Equity Index Fund Small-Cap Equity Index Fund – Value Small-Cap Equity Index Fund – Growth	International Equity Index Fund Int'l Equity Index Fund – Europe Int'l Equity Index Fund – Pacific	BP Stock Fund (unitized)	CORE INVESTMENT OPTIONS
Large-Cap Growth (continued) DWS Large Company Growth Fidelity Blue Chip Growth Fidelity Capital Appreciation Fidelity Export and Multinational Fidelity Fifty® Fidelity Growth Company Fidelity Independence Fidelity Large Cap Stock Fidelity OTC Portfolio Fidelity Trend Harbor Capital Appreciation Janus Fund Janus Growth and Income Janus Twenty Morgan Stanley Institutional Fund Capital Growth Fund Pioneer Growth Leaders T. Rowe Price Blue Chip Growth T. Rowe Price Growth Stock USAA Growth Vanguard PRIMECAP Vanguard U.S. Growth Wells Fargo Advantage Growth Wells Fargo Advantage Large Cap Growth	Medium-Cap Growth (continued) Franklin Small-Mid Cap Growth Morgan Stanley Institutional Fund Mid Cap Growth Portfolio T. Rowe Price Mid Cap Growth		MUTUAL FUNDS WINDOW
Medium-Cap Value Fidelity Value Franklin Balance Sheet Investment	Small-Cap Value Allianz NFJ Small-Cap Value Morgan Stanley Institutional Fund U.S. Small Cap Value Portfolio		
Medium-Cap Blend Ariel Appreciation Credit Suisse Mid-Cap Core Legg Mason Special Investment Trust Wells Fargo Advantage Opportunity	Small-Cap Blend Credit Suisse Small Cap Core Managers Special Equity Neuberger Berman Genesis T. Rowe Price Small Cap Stock		
Medium-Cap Growth AIM Dynamics Alger MidCap Growth Institutional Baron Asset Columbia Acorn Delaware Trend Fidelity Aggressive Growth Fidelity Mid-Cap Stock	Small-Cap Growth Alger Small Cap Institutional Allianz CCM Emerging Companies Baron Growth Dreyfus Founders Discovery Fidelity Small Cap Independence Morgan Stanley Institutional Fund Small Company Growth Portfolio		
	Specialty AIM Utilities Cohen & Steers Realty Shares Fidelity Real Estate Investment Portfolio Fidelity Utilities Munder Internet Old Mutual Columbus Circle Technology & Communications T. Rowe Price Health Sciences T. Rowe Price New Era		
	World AIM Global Growth American Funds® Capital World Growth and Income American Funds® New Perspective Dreyfus Premier Worldwide Growth Janus Worldwide Mutual Discovery Putnam Global Equity Templeton Growth Templeton World	Europe AIM European Growth BlackRock EuroFund Fidelity Europe Fidelity Europe Capital Appreciation Putnam Europe Equity T. Rowe Price European Stock	
	Foreign American Century International Growth Credit Suisse International Focus DWS International Fidelity Aggressive International Fidelity Diversified International Fidelity Emerging Markets Fidelity Global Balanced Fidelity International Discovery Fidelity New Markets Income Fidelity Overseas JPMorgan Fleming International Value Lazard Emerging Markets Portfolio Lazard International Equity Portfolio Managers International Equity Payden & Rygel Global Fixed Income PIMCO Foreign Bond (U.S. Dollar-Hedged) Putnam International Equity Templeton Foreign Templeton Institutional Funds, Inc. – Emerging Markets Series	Latin America DWS Latin America Equity Fidelity Latin America T. Rowe Price Latin America	
		Pacific AIM Asia Pacific Growth BlackRock Pacific Fidelity Pacific Basin Fidelity Southeast Asia	
		Japan Fidelity Japan The Japan Fund, Inc.	

Target Date Funds

Investment Category	Investment Option Name	Inv. Mgmt. Fees (%)	Manager	BP Plan Inception Date	Short-Term Trading Fee (% / Days)
Hybrid	Target Date Retirement Fund	0.10	BGI	Feb 2008	NA
	Target Date Funds (This group of 9 funds span the investment timeline in five-year increments from 2010 to 2050, including: 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050)	0.10	BGI	Feb 2008	NA

¹ Represents expected annual investment management fees. These fees do not include other operating or administrative fees that may be charged to the fund.

☛ 'Investment fees and expenses,' page 69

² Date the investment fund was introduced in the BP savings plans.

Most of the underlying investments that make up each Target Date Fund are index funds — meaning they attempt to track the performance of various market indices. See pages 72 – 73 for more information about index funds. Generally, the fees for index funds are lower than for actively-managed funds.

As time passes, each fund's investment mix is gradually shifted from a greater concentration of stock funds (with higher risk and higher expected return) to a greater concentration of bond funds and money market instruments (with lower risk and lower expected return). This shift is designed to reduce the ups and downs in the value of your account as your target date approaches.

How to choose your Target Date Fund

You pick the fund that most closely targets the year you expect to retire (assumed to be age 65). For example, if you expect to retire in about 20 years, say 2028, you could pick the Target Date 2030. If your target year falls between two Target Date Funds you could invest in the portfolio that most closely matches your target date, or you could invest in both portfolios. For example, if your target year is 2037, you could invest in both the Target Date 2035 and 2040.

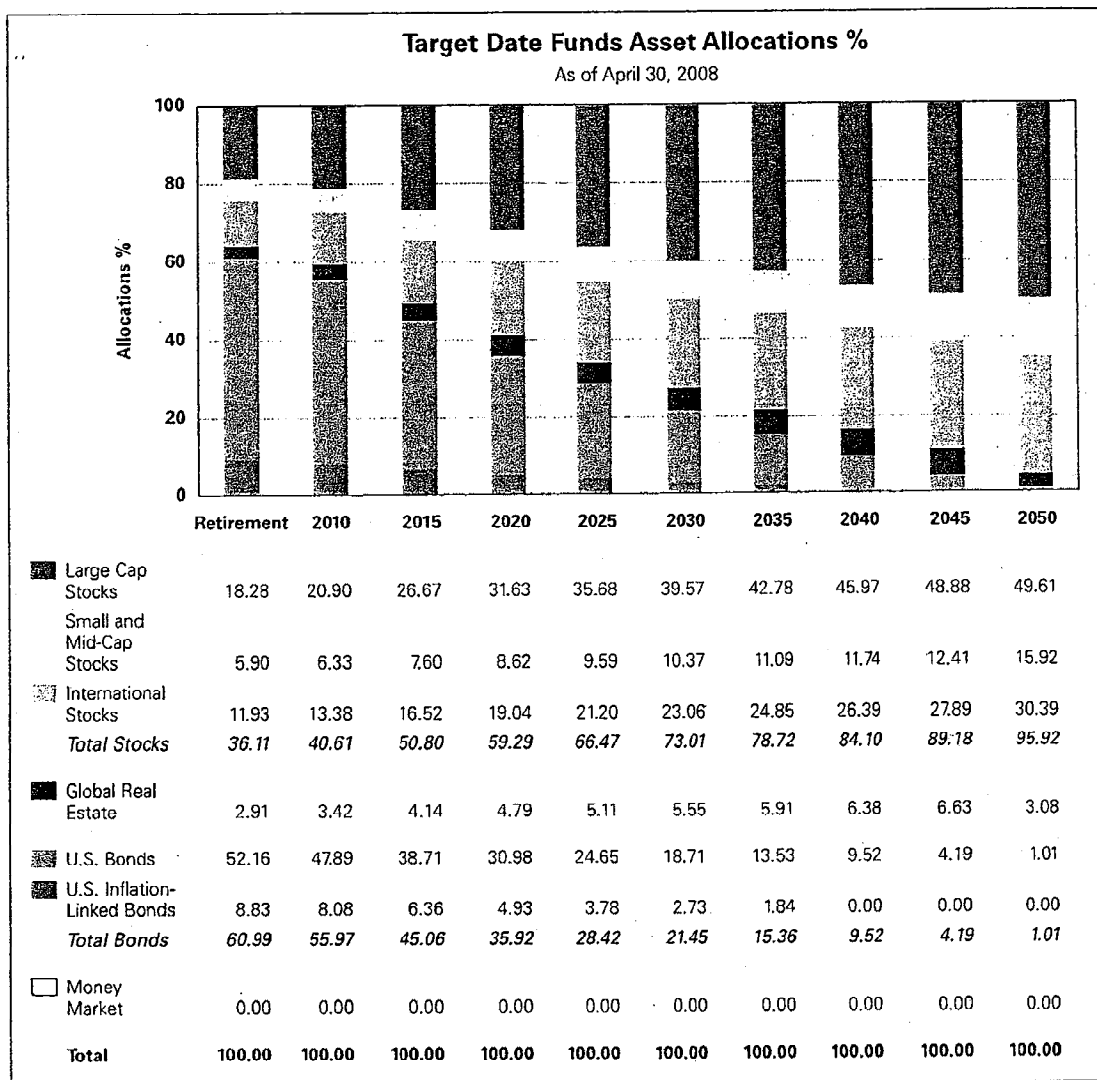
Investing in just one Target Date Fund can provide you with a diversified, professionally managed retirement strategy.

Target Date Funds	
Target Date Retirement Fund Target Date 2010 Target Date 2015 Target Date 2020 Target Date 2025 Target Date 2030 Target Date 2035 Target Date 2040 Target Date 2045 Target Date 2050	
INVESTMENT CATEGORY	Hybrid (Target Date Portfolios)
INVESTMENT OBJECTIVE	Each portfolio seeks to provide returns from a diversified portfolio of index funds.
INVESTMENT STRATEGY	<p>The Target Date Funds are managed by investment managers who select and manage a mix of stocks, bonds, cash and real estate that takes into account the specific time horizon of each fund. Each fund automatically adjusts quarterly to become more conservative as the fund matures. When the portfolio reaches its target date, such as 2010, your investment is automatically moved into the Target Date Retirement Fund.</p> <p>The Target Date Retirement Fund is the one fund in this category that does not adjust its mix of investments over time. It aims to help preserve your savings with a higher concentration in bonds and cash and a lower concentration in stocks.</p>
INVESTMENT MANAGER	Barclays Global Investors (BGI)
ESTIMATED FEES	12 basis points (0.12%) or less per annum.

OTHER INFORMATION

All Target Date Funds (except the Target Date Retirement Fund) slowly reduce their risk and return over time, to respond to the changing needs of their investors as they age. The Target Date 2050 starts out at a high level of risk and potential return where as the Target Date 2010 is nearing its most conservative asset mix. The Target Date Retirement Fund does not adjust its mix of investments as it aims to preserve your retirement savings with a higher concentration of investments in bonds and cash.

The underlying funds for each Target Date Fund are index funds managed by Barclays Global Investors. See the chart below that illustrates the allocations of investments for each Target Date Fund.



The Target Date Funds currently invest in the following BGI-managed institutional commingled funds.

Equity Index Fund

This is an index fund that seeks to match the performance of the S&P 500® Index by investing in stocks that make up the index. The **S&P 500® Index**, considered a large-capitalization benchmark, is comprised of a sample of leading U.S. companies in leading industries, and accounts for more than 75% of the market value of all publicly traded stocks in the U.S.

☛ 'Description of indices,' page 79

FUND RISKS

Stock markets are generally more volatile than bonds, and can decline significantly in response to adverse issues, political, regulatory, market or economic developments.

The investment manager, in its discretion, may lend assets of this fund.

☛ 'Securities lending,' page 73

TOP 10 HOLDINGS AS OF APRIL 30, 2008	%
Exxon Mobil Corp.	4.10
General Electric Co.	2.69
AT&T Inc.	1.92
Microsoft Corp.	1.88
Procter & Gamble Co.	1.70
Chevron Corp.	1.64
Johnson & Johnson	1.56
International Business Machines Corp.	1.38
Bank of America Corp.	1.37
JPMorgan Chase & Co.	1.33

Extended Equity Market Fund

This is an index fund that seeks to match the performance of the Dow Jones Wilshire 4500 Completion Index by investing in a diversified sample of the stocks that make up the Index. The **Dow Jones Wilshire 4500 Completion Index** is comprised of the stocks of all small and medium U.S. companies with readily available price data that are not included in the S&P 500® Index.

☛ 'Description of indices,' page 79

FUND RISKS

Stock markets are generally more volatile than bonds, and can decline significantly in response to adverse issues, political, regulatory, market or economic developments.

Securities of medium and smaller, less well known issuers can be more volatile than those of larger issuers.

The investment manager, in its discretion, may lend assets of this fund.

☛ 'Securities lending,' page 73

TOP 10 HOLDINGS AS OF APRIL 30, 2008	%
Berkshire Hathaway Inc. - Cl A	4.22
Visa Inc. - Class A Shrs	1.09
Genentech Inc.	0.94
Accenture Ltd. - Cl A	0.64
Mastercard Inc. - Cl A	0.57
Mosaic Co/The	0.53
Southwestern Energy Co.	0.47
Liberty Entertainment - A W/I	0.41
Bunge Limited	0.39
Ultra Petroleum Corp.	0.39

**MSCI ACWI (All Country World Index)
ex U.S. IMI IndexSM Fund**

The **MSCI ACWI (All Country World Index) ex U.S. IMI IndexSM** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets excluding the United States. As of April 2008, the **MSCI ACWI ex U.S. IMI Index** consisted of the following 47 developed and emerging market country indices: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Jordan, Korea, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Norway, Pakistan, Peru, Philippines, Poland, Portugal, Russia, Singapore Free, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, and the United Kingdom.

☛ 'Description of indices,' page 79

FUND RISKS

Foreign investments may involve additional risks than U.S. investments including political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations.

Stock markets are generally more volatile than bonds, and can decline significantly in response to adverse issues, political, regulatory, market or economic developments.

The investment manager, in its discretion, may lend assets of this fund.

☛ 'Securities lending,' page 73

TOP 10 HOLDINGS AS OF APRIL 30, 2008	%
BP p.l.c.	1.11
HSBC Holdings plc	1.00
Nestle SA – Reg	0.92
Total SA	0.89
Vodafone Group plc	0.82
China Mobile Ltd.	0.71
Royal Dutch Shell plc – A Shrs	0.70
Toyota Motor Corp.	0.67
Banco Santander S.A.	0.66
BHP Billiton Ltd.	0.66

Global Real Estate Fund

The **FTSE EPRA/NAREIT Global Real Estate Index** is a market capitalization net total-return index that offers investors exposure to a diverse set of real estate holdings across countries, property types and geographic markets and is designed to reflect the performance of listed real estate companies worldwide. The index consists of approximately 200 commercial equity companies that meet certain size and liquidity requirements. These companies generate earnings from rental income received on their physical holdings and from capital gains from the sale of properties.

☛ 'Description of indices,' page 79

FUND RISKS

Stock markets are generally more volatile than bonds, and can decline significantly in response to adverse issues, political, regulatory, market or economic developments. REIT investments are subject to changes in economic conditions, credit risk and interest rate fluctuations.

The investment manager, in its discretion, may lend assets of this fund.

☛ 'Securities lending,' page 73

TOP 10 HOLDINGS AS OF APRIL 30, 2008	%
Westfield Group	4.20
Sun Hung Kai Properties	4.15
Mitsubishi Estate Co. Ltd.	3.77
Simon Property Group Inc.	2.85
Mitsui Fudosan Co. Ltd.	2.80
Unibail-Rodamco	2.66
Prologis	2.06
Land Securities Group plc	1.80
Vornado Realty Trust	1.63
Boston Properties Inc.	1.53

U.S. Debt Index Fund

This is an index fund that seeks to match the performance of the **Lehman Brothers Aggregate Bond Index** by investing in a diversified sample of the bonds that make up the index. The index is the broadest measure of the U.S. investment-grade bond market and is comprised of U.S. Treasury and federal agency bonds, corporate bonds, residential and commercial mortgage-backed securities and asset-backed securities.

☛ 'Description of indices,' page 79

FUND RISKS

Debt securities are, among other things, subject to interest rate risk, where an increase in prevailing interest rates will tend to cause debt securities to decline in value. The Fund is also subject to credit risk, where declines in the credit quality of a security or the failure of the issuer of a security to pay its obligations may result in a decline in the value of that security.

The investment manager, in its discretion, may lend assets of this fund.

☛ 'Securities lending,' page 73

TOP 10 HOLDINGS AS OF APRIL 30, 2008	%
Mortgages	39.22
U.S. Treasury	23.08
Industrial	9.13
U.S. Agencies	8.88
Finance	8.32
Commercial Mortgage Backed	5.23
Non-U.S. Corp.	3.24
Utility	1.94
Asset Backed	0.76
Taxable Muni	0.21

U.S. TIPS Fund

This is an index fund that seeks to match the performance of the **Lehman Brothers U.S. Treasury Inflation Protection Securities ('TIPS') Index** by investing in some or all of the bonds that make up the index. Unlike conventional bonds, the principal and interest payments from TIPS are regularly adjusted to reflect changes in inflation, as measured by the changes in the Consumer Price Index for Urban Consumers. Since the principal keeps pace with inflation, investors' real purchasing power will be preserved.

☛ 'Description of indices,' page 79

FUND RISKS

Debt securities are, among other things, subject to interest rate risk, where an increase in prevailing interest rates will tend to cause debt securities to decline in value. The Fund is also subject to credit risk, where declines in the credit quality of a security or the failure of the issuer of a security to pay its obligations may result in a decline in the value of that security.

The investment manager, in its discretion, may lend assets of this fund.

☛ 'Securities lending,' page 73

TOP 10 HOLDINGS AS OF APRIL 30, 2008	%
U.S. Treasuries	100.00

Money Market Fund

This fund invests in high quality, short-term debt securities known as money market instruments. These securities include those issued by the U.S. government and its agencies, corporations, banks, supranational organizations and sovereign issuers. These investments are considered low risk due to the financial strength of the issuers and the short-term maturity of the investments.

FUND RISKS

Short term investments are generally less volatile than stocks or bonds, so short term risks are generally lower. However, as with bonds, there is a risk of the loss of principal if the issuer of a security fails to pay back the principal. There is no guarantee against the possibility of a loss from investing in the Money Market Fund.

The investment manager, in its discretion, may lend assets of this fund.

☛ 'Securities lending,' page 73

Core Investment Options

Core Investment Options matrix by asset class

Data as of April 30, 2008

The matrix below shows all of the Core Investment Options and their corresponding indices if applicable.

Investment Category	Core Investment Option Name	Inv. Mgmt. Fees (%)	Manager	Fund Inception Date	Short-Term Trading Fee (% / Days)
Short-Term	Short Term Investments Fund	0.10	SSgA	Sep 1991	NA
Stable Value	Income Fund ²	0.11	Dwight	Jun 1987	NA
Bond	Bond Index Fund <i>Lehman Brothers Aggregate Bond Index</i>	0.10	NTI	Feb 1993	NA
	Bond Index Fund – Short Duration <i>Lehman Brothers 1-3 Year Govt Bond Index</i>	0.05	NTI	Apr 2000	NA
	Bond Index Fund – Long Duration <i>Lehman Long Govt/Corp Bond Index</i>	0.06	SSgA	Apr 2000	NA
U.S. Stocks	Equity Index Fund <i>S&P 500 Index</i>	0.02	NTI	Feb 1993	NA
	Equity Index Fund – Value <i>S&P/BARRA 500 Value Index</i>	0.02	BGI	Apr 2000	NA
	Equity Index Fund – Growth <i>S&P/BARRA 500 Growth Index</i>	0.02	BGI	Apr 2000	NA
	Mid-Cap Equity Index Fund <i>S&P MidCap 400 Index</i>	0.04	SSgA	Jul 1998	NA
	Small-Cap Equity Index Fund <i>Russell 2000 Index</i>	0.12	NTI	Jul 1998	NA
	Small-Cap Equity Index Fund – Value <i>Russell 2000 Value Index</i>	0.02	BGI	Apr 2000	NA
	Small-Cap Equity Index Fund – Growth <i>Russell 2000 Growth Index</i>	0.02	BGI	Apr 2000	NA
International	International Equity Index Fund <i>MSCI EAFE Index</i>	0.08	SSgA	Jul 1998	2.00 / 30
	International Equity Index Fund – Europe <i>MSCI Europe Index</i>	0.08	SSgA	Apr 2000	2.00 / 30
	International Equity Index Fund – Pacific <i>MSCI Pacific Index</i>	0.08	SSgA	Apr 2000	2.00 / 30
Company Stock	BP Stock Fund	0.01	SSgA	Jan 1999	NA

¹ Investment management fees charged on average for the option for the year 2007. These fees do not include other operating or administrative fees that may be charged directly to the fund.

² The Income Fund is subject to transfer restrictions. See description on page 19.

See the latest Quarterly Investment Performance Statement for historical performance information.